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PORT OF BOSTON COMMISSION

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THE COMMONWEALTH OF MASSACHUSETTS

THIRD ANNUAL REPORT

of the

PORT OF BOSTON COMMISSION

to the

GENERAL COURT

Under Chapter 608 of the Acts of 1953

January 1957

THE COMMONWEALTH OF MASSACHUSETTS

PORT OF BOSTON COMMISSION


William H. Gulliver, Jr., Chairman

John T. Lang

Lawrence Petersen

James J. Healy

Richard I. Goodrich



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1.

THE COMMONWEALTH OF MASSACHUSETTS

Port of Boston Commission
14 Court Square
Boston, Massachusetts
January 1957

To the Honorable Senate and House of Representatives:

Transmitted herewith is the Annual Report of the
Port of Boston Commission for the fiscal year 1955-1956 in
accordance with Chapter 608 of the Acts of 1953.

Very truly yours,

PORT OF BOSTON COMMISSION

William H. Gulliver, Jr.
Chairman

THIRD ANNUAL REPORT OF THE PORT OF BOSTON COMMISSION

TO

HIS EXCELLENCY, THE GOVERNOR

.and the

GENERAL COURT

The third annual report of the Port of Boston Commission, created pursuant to Chapter 608, of the Acts of 1953, covering the fiscal period, July 1, 1955, through June 30, 1956, is presented herewith. The members of the Commission during this period were William H. Gulliver, Jr., Chairman, John T. Lang, James Healy, Richard I. Goodrich and Lawrence Petersen.

Total cargo movement through the Port of Boston (exclusive of intraport) during the past fiscal year was the greatest of any year in the history of the Port, exclusive of World War II, reflecting a high level of economic activity in the areas served by the Port, and greater appreciation in such areas of the advantages of the Port. Export-import cargo increased more than 17% over the preceding year. Grain movement aggregated nearly 20,000,000 bushels as contrasted with less than the 8,000,000 bushels average of 10 preceding years. The trend has continued since the end of the fiscal year. Vigorous promotion, advertising and solicitation in the areas served by the Port and in Washington by the members and staff of the Commission have contributed significantly to greater appreciation of the Port's advantages and its increased use. The general welfare and economic activity in such areas has been advanced by the higher level of operations in the Port.

During the year, rehabilitation of the Hoosac Grain Elevator, including the creation of new grain drives at a total cost of approximately \$425,000 was completed, substantially improving grain handling facilities and resulting in increased revenues to the Commonwealth. The extension of transit sheds and the renovation of the water supply system at Castle Island, at a total cost of about \$1,200,000, was virtually completed and the rental payable to the Commonwealth for occupancy of this terminal substantially increased. The rehabilitation of Army Base Pier, at a total cost of about \$11,000,000, and of Commonwealth Pier #5, at a cost of about \$1,800,000, was progressing more slowly than planned, prolonging the limitation of vessel berthing and cargo handling areas. It is presently contemplated that the work at Army Base Pier will be completed in October 1957, at which time this entirely restored facility will be turned over to the Commonwealth for operation under the 1954 compact with the Federal Government. This additional facility, which will be leased to a competent and experienced terminal operator, will produce significant net revenues for the Commonwealth. The modernization of Commonwealth Pier #5 to the extent permitted by available funds is expected to be completed late in 1957. The Commission expects to install a mechanical grain car unloader which will materially decrease cost of grain unloading, at the East Boston Elevator in 1957 for the full cost of which it will be reimbursed over the life of the lease by the New York Central. The nature and scope of the repairs and improvements referred to above is stated in greater detail under the caption "Engineering Division".

The most insistent and important present requirements for Port facilities are (a) further improvements and repairs at Castle Island and (b) installation of cathodic protection to eliminate the corrosion jeopardizing steel bulkheads and steel piling at several of the piers. The details of the requirements at Castle Island are stated under the caption "Engineering Division-Castle Island". These needs, aggregating \$1,310,000 are immediate and imperative and cannot be deferred except at the great risk of very severe loss to the structures and increasing loss of revenue. Corrosion to steel sheet bulkheads and steel piling at the Mystic, Hoosac and East Boston Piers, and at Commonwealth Pier # 5 and Castle Island has progressed to a point requiring immediate installation of cathodic protection to preserve these structures from the type of progressive damage that nearly destroyed Army Base Pier, requiring \$11,000,000 for rehabilitation. Cathodic protection, while expensive, avoids progressively greater expense and eventual destruction of piers. Funds for improvement and repairs at Castle Island and for cathodic protection are being sought from the 1957 General Court.

The gross operating revenue of the Commission for fiscal year 1956 increased \$365,000 over the previous year, exclusive of non-recurring items, while operating expenses increased only \$11,000 with the result that net operating revenues at \$637,000 represented an increase of \$354,000 or more than 44% over the preceding year. These net revenues not only provided for payment of interest on funded debt issued by the Commonwealth for the purchase and construction of Port facilities but also

a substantial part of the sums required during the fiscal year for the retirement of such debt. It must be emphasized that on a normal business accounting basis, the Port properties earned a substantial surplus for the year. The apparent deficit results from charging against revenues the annual amortization of bonds, issued on a 20-year serial basis to create facilities with a life of more than 50 years, so that the debt is being retired much more rapidly than the facilities created by such debt are depreciating.

The Commission vigorously pressed its claims before the Interstate Commerce Commission for parity of rail rates to interior points, with Baltimore and Philadelphia, on iron ore. After prolonged hearing, the Interstate Commerce Commission denied such parity to Boston. This Commission and the railroads serving Boston have appealed this decision to the Court of Appeals. This Commission, in collaboration with the Port of New York Authority, has also aggressively aided the railroads serving Boston and New York in seeking parity for Boston and New York with Baltimore with respect to export-import rates on all traffic to and from interior points. This proceeding which, if successful, could materially and beneficially aid the Port and the entire region served by the Port, as well as expanding the area so served, has been docketed for hearing before the Interstate Commerce Commission in the late Spring of 1957. There is a thorough discussion of the foregoing and related matters under the caption "Traffic",

The Commonwealth has devoted very large sums of money since World War II to the repair, improvement and reconstruction

of the Port and with relatively minor exceptions all of the pier facilities have been constructed or substantially rebuilt since 1946 and again, with relatively minor exceptions are modern, in excellent condition and provide efficient facilities for cargo handling. The Commonwealth has also provided funds for promotion which while limited as compared with sums available for such promotion at competitive ports, have been intelligently and vigorously employed. The Commonwealth has provided further funds for and this Commission has initiated and is aggressively seeking parity of rail rates for export-import traffic with other North Atlantic ports. We have thus created an efficient plant for the handling of sea borne commerce, we are seeking to reduce the cost of inland transportation of goods through that plant and we are telling the world about the advantages of the Port. But there remains an area many well informed and responsible persons declare in which Boston is not competitive and while the foregoing improvements and information have and will improve Boston's position, Boston cannot achieve its full potential until the cost of cargo handling at the Port is made competitive with other ports. These persons argue that though wage rates, hours and conditions of work as spelled out in the labor contracts at Boston and other ports are substantially identical, labor here continuously and successfully insists on practices which do not prevail at other ports, thereby decreasing productivity and increasing the time and cost of handling cargo at Boston as contrasted with other ports. While we know of many labor practices at Boston which seem to us unwise, unnecessary and unfair, and which contribute materially to lower productivity and higher cost, defeating

efforts to increase use of the Port, we cannot of necessity be as familiar with practices at other ports and do not accordingly accept as gospel the allegation that Boston generally suffers from lower labor productivity and higher cargo handling costs than at such other ports. We have seen enough, however, to believe that labor could make a substantial contribution to lower cost of cargo handling without sacrifice of earnings or safety, thereby increasing port activity and improving the economic condition of the entire community. We considered that a proper approach to this goal would be to compare practices, conditions, productivity and costs for the handling of comparable goods at Boston and other ports. To our knowledge no such study has heretofore been made. As such a project would involve prolonged and careful study by persons skilled in such research, and as we had no funds or personnel available therefor, we sought the assistance of one of Greater Boston's educational institutions to perform the service as a public contribution. The request was granted, subject, however, to such interruptions and delays as might be occasioned by the unavoidable response of the research team to the insistent demands of paying customers. The project has been delayed by such demands but is expected to begin soon.

The people of the Commonwealth and of the community which might be served by the Port could not and do not expect labor to make sacrifices of earnings, practices, security or conditions of work to a point below those prevailing at other ports, in order to provide Boston with a cargo handling advantage at labor's sole expense. But it seems fair to ask Boston labor not to impose practices or conditions which do not prevail at other ports and which reduce productivity and increase costs unless there is

some factor peculiar to Boston and not of labor's making, that renders imperative the insistence on such practice or conditions. We believe that an authoritative study by a disinterested and unprejudiced group, of practices and conditions at Boston and other points, would provide a reasonable basis for discussion with labor seeking revision of such practices and conditions if such practices and conditions were found to be adverse to Boston or of rebutting the widely held view that Boston is a high cost labor port, if the study came to that conclusion. Whether or not Boston is a high cost labor port, the widely held and accepted view to that effect seriously and adversely affects the Port even if not true.

We hope this project will be accepted in the spirit in which it is initiated. Our sole object is to promote shipments through the Port, to realize for the benefit of the community, upon the tremendous economic asset of a thriving port, and labor generally and port labor in particular would be principal beneficiaries of such a port. Cargo handling costs in a port are a very significant part of the total cost of movement by sea and a material difference in such costs between ports could radically diminish traffic of the higher cost port. Higher costs not only levy a toll on every consumer of goods which in fact pass through the port, reducing the standard of living of such consumer or his ability to compete with industry and commerce served by a lower cost port, but also deny to the persons in the area which would be served by such port if competitive in costs, the many substantial benefits flowing from vigorous port activity. No cost not strictly essential, which causes such results to a community, should be sacrosanct. Let us get the facts and proceed

accordingly.

We had expected that the Massachusetts Port Authority, created pursuant to Chapter 465 of the Acts of 1956, in the conception of which we had a part and in the promotion of the enactment of which we were vigorous and effective, would before now have taken over the properties and functions of this Commission as well as the other facilities and functions for which the Authority was created. Money stringency and the unwisely low limit on interest, which the Act permitted to be paid on the funded debt necessary to be issued by the Authority to provide funds to carry out its purposes, has to date prevented such event. We are very hopeful that such impediments will shortly be removed and that the properties and functions of this Commission may shortly be assumed by an autonomous body capable of action without the limitations, restraints and frustrations imposed on state agencies such as this Commission. We wish and anticipate great success for the Authority.

The Commission expresses its appreciation of the aid and counsel of Governor Christian A. Herter, the full cooperation of the General Court, and the several agencies of the Commonwealth with which the Commission deals, including the Commission on Administration and Finance, the Office of the Attorney General, and the Department of Commerce, the advice and cooperation of the Advisory Council of the Port of Boston Commission and of the various organizations concerned with the operation and development of the Port and for the continuing promotion of the Port.

On the following pages will be found the detailed information required by Chapter 608 of the Acts of 1953, prepared by the Staff of the Commission.

Respectfully submitted,

William H. Gulliver, Jr.
Chairman

John T. Lang

James Healy

Richard I. Goodrich

Lawrence Petersen

SECTION I

PROMOTION AND SOLICITATION

OBJECTIVE

The Promotion Division is organized as the sales branch of the Commission. It directs the efforts of five trained solicitors, three of whom were added during the 1956 fiscal year, to sell the port's facilities and services in areas from which the port can logically draw business, including U. S. Government business.

SCOPE OF COVERAGE

During the year, the Division staff covered New England, the Midwest, Canada, New York City and Washington, D.C., making regular calls on transportation executives, importers, exporters, banks and travel agencies.

Personal interviews were effected with 1491 shippers and transportation agencies during the fiscal year 1955-56. An additional 495 sales interviews were recorded for the first six months of the fiscal year 1956-57.

Sales Coverage

July 1, 1955 to December 31, 1956

<u>State</u>	<u>No. Interviews</u>
Connecticut	24
Massachusetts	1058
Maine	22
New Hampshire	93
Rhode Island	84
Vermont	23
Quebec	149
Ontario	18
New York	271
Illinois	87
Indiana	9



<u>States</u>	<u>No. Interviews</u>
Kentucky	8
Michigan	43
Missouri	21
Ohio	69
Wisconsin	19

Port sales representatives participated in 154 meetings and conventions of traffic and foreign trade associations in 10 states. Models and photographs of the port's facilities were exhibited and approximately 23,000 pieces of promotional literature were distributed at these meetings.

In addition to their usual ocean and air freight solicitation efforts, this year the port salesmen aggressively carried on a passenger promotional program by calling on travel agencies and acquainting them with the transoceanic services and facilities at Boston. They were successful in obtaining more extensive services and sailings, including cruise service. For the calendar year 1955, in addition to passenger movement through Boston by cargo vessels, nine passenger vessels debarked or embarked passengers for a total movement of 7,750 on all classes of vessels.

WASHINGTON OFFICE

For several years, the United States Government generally and its agencies devoted to the national defense and agriculture in particular, has become a buyer of transportation on a substantial and increasing basis. In order better to compete for a share of this business, the Port Commission opened an office and appointed a trained Washington representative on November 15, 1955. Sharing operating expenses with the Massachusetts Department of Commerce, these offices are located in Room 713-14

of the Albee Building, 1426 G Street, Northwest. Invitations marking the opening of this office were extended to the Massachusetts Congressional delegation and key officials of Federal Departments with whom the Commission had business contacts.

During the fiscal year, the Washington Representative kept in continuing contact with members of Congress concerning legislation of interest to this Commission and also kept abreast of developments in government departments and agencies.

Frequent visits were made to government departments and contacts maintained with high officials and those at the working echelons to inform them of the facilities, lack of congestion, the shorter ocean haul and other advantages of the Port. Brochures, pamphlets and books illustrating and describing the harbor and port facilities and other advantages, were distributed in all interested offices. Many visits have been made to foreign embassies, legations, purchasing missions and economic counselors in Washington and New York to discuss shipments to be made under Foreign Aid programs and direct purchases to be made by Foreign Governments from government surpluses. Brochures and pamphlets were left at such offices.

Attendance at meetings, luncheons, and conventions of many organizations has been necessary to keep in close communion with traffic personnel to learn of programs and planning which would result in exports and imports through the Port.

The Promotion Division is constantly compiling data and gaining experience through which it can aggressively seek business for the Port. During the fiscal year, the Port's

advertising program backed-up its selling effort. Media covered the transportation industry and carried the message of the Port to prospects, conditioning them for personal calls by staff solicitors. The program was modest in size compared to those of some of our competitors, but results obtained were very worthwhile.

COMPETITIVE SITUATION

Solicitation of tonnages for Atlantic ports is highly competitive. Rival ports solicit business in the same areas as does Boston, in many instances with much greater manpower and funds. We are seriously handicapped on shipments from the west because of differentials in favor of Baltimore and Philadelphia. We are making headway despite the competition. A substantial volume of new freight and passenger traffic was attracted to the Port during the 1956 fiscal year as shown in the statistics of the Commerce Section of this Report.

SECTION II

ADVERTISING & PUBLICITY

ORGANIZING OF ADVERTISING PROGRAM

Consistent with the Commission's increased emphasis on sales and solicitation on behalf of the entire Port community in the 1955-56 fiscal year as shown in the Promotion Section of this report, an advertising and public relations department was organized in December 1956.

At that time the Commission appointed a full-time staff member in charge of advertising and publicity, which followed the securing of \$28,000 for such purposes from the 1955 session of the Massachusetts Legislature. An advertising program was organized immediately and was set in motion in January 1956, after careful study of competitors' advertising programs, and of the Port's own requirements.

Publications were programmed covering the transportation industry, with the objective to carry the story of the Port's excellent facilities and services to the markets wherein the Port could reasonably expect to draw business. The total amount of money for advertising space scheduled for a six months' period, January to June 1956 was \$6,472 with the largest individual amount invested in the New York Journal of Commerce, a daily business newspaper widely read throughout the transportation and maritime industries.

ADVERTISING SCHEDULE, January-June 1956

	JAN.	FEB.	MARCH	APRIL	MAY	JUNE
N.Y. Journal	300 li.	300 li.	300 li.	300 li.	300 li.	300 li.
of Commerce	300 li.	300 li.	300 li.	300 li.	300 li.	300 li.
(daily)						

	JAN.	FEB.	MARCH	APRIL	MAY	16. JUNE
Traffic World (weekly)		1 page	1 page	1 page	1 page	
Exporter's Digest (monthly)				1 page (N.E. Section)		
Shipping Digest 2/3 page(weekly)			2/3 page		2/3 page	
World Ports (monthly)		1 page		1 page		1 page
Greater Boston Business (Monthly)			1 page	1 page		1 page
New Englander (monthly)		1 page			1 page	
*Montreal Gazette	200 li.	200 li.				
	200 li.	200 li.				
Custom House Guide (annual)			1 page			
**Business Week (weekly)			1 col. (2 colors)			
The Mariner		2 pages (2 colors)				

*Special advertising promotion during period when Canadian ports are ice-locked.

**This one-column advertisement was reprinted by the Commission in a four-page merchandising reprint, including the magazine's original cover (week of March 3, 1956) thru special arrangement with the publication. The Commission used it as a piece of direct-mail advertising promotion to over 6,000 shippers.

Concurrent with the above advertising program special publicity promotions in connection with it were organized by the Publicity Director with stories written by him, and pictures furnished by the Commission's Publicity Department. Examples: With the Journal of Commerce; the issues of March 28, April 13 and May 22--Annual Shipping and Foreign Trade Review, Pan American Day Issue and World Trade week--Maritime Day in which the Port had editorial copy and pictures tied to its advertising. In the April issue of Exporter's Digest, a special feature story on Boston's drive for business, with accompanying pictures of its terminals was prominently placed.

PORT BROCHURE

During this six-months period another longfelt need of the Commission was fulfilled with the organizing and publishing of a basic brochure on the Port. The Commission and Director set a high priority on the advertising program for a brochure. Careful preparation and research resulted in the publishing at the end of the fiscal year of, "Facts For You From The New Port Of Boston." Produced in 16 pages, in four colors, well illustrated, the brochure's title is self-explanatory. Opening horizontally, measuring 11 inches wide and $8\frac{1}{2}$ inches deep, the brochure was packaged in an attractive, especially-designed envelope.

Aimed at shippers in the United States and Canada primarily, 15,000 copies were produced, and following the first mailing to 5,000 shippers on the Commission's mailing list, the demand was so great due to the wide publicity that it generated, that repeat requests quickly brought the distribution to 9,000 copies. The brochure found its way to most of the major shippers and shipping firms of the world. Striking examples were requests from the Swedish shipping industry, and from the U. S. State Department which has made the brochure a required publication in each embassy and consulate all over the world. Each U. S. Government "Point 4" mission to underdeveloped areas of the world is equipped with the Port of Boston's brochure.

Saturation distribution of the brochure was completed so that key persons who can influence the movement of freight in the United States--in private enterprise and government were reached through the brochure. It was designed--and has been used as a basic reference for shipping executives. It contains all of the

essential information on the Port required by an executive in any field of transportation throughout the world.

As of the writing of this report, distribution of the brochure is selective, due to the widespread demand and the diminishing supply. Entire cost of the brochure for production, publishing and distribution was \$4700.

SOUTH AMERICAN PROMOTION

On Monday, May 21, 1956, the Port entered into a special promotion with the Boston Globe, aimed at the Central, Latin and South American markets. The Publicity Director prepared a special layout of editorial copy and pictures for the "Latin-American Edition," an inserted section in the Globe of May 21. This daily issue of the Globe was sent by direct mail to 50,000 business executives--leaders of opinion--in all South American countries, by special arrangement with a Boston direct-mail listings' firm. The section ran also in the regular domestic edition of the Globe that day.

PAN AMERICAN AIRWAYS FILM

In March of 1956, the Publicity Department aided Pan American Airways in the production of a special motion picture, furnishing film strips and written script featuring the Port as the catalyst of the economy of New England. This film was destined to be shown to more than 1,000,000 people throughout South America.

PASSENGERS PROMOTION

A strong effort to promote Boston as a passengers' port was made in the Spring of 1956. A direct-mail advertising program

was drawn up by the Publicity Director, basically aimed at all of the travel agents in the United States, Canada and Mexico. The mailing piece was an attractive, three-colors poster delineating the passenger sailings from Boston in 1956 and strongly featuring Boston's advantages in embarkation and debarkation.

More than 10,000 posters were mailed or distributed through outlets such as each of the station agents of the three railroads serving the Port, throughout their entire systems; through the customers' lists of all of the major passengers' steamship lines; each member company of the Associated Industries of Massachusetts, the Greater Boston Chamber of Commerce and New England Council was asked to use the poster on employees' bulletin boards. This entire effort was backed up by liberal free newspaper space in New England dailies through stories placed by the Publicity Department.

PRESS RELEASES

The daily operations of the Advertising and Publicity Department were the same as those of any large corporation, constantly alert to exploit, in the positive sense, the corporation's product--in this instance, water transportation. Constant requests are received for information from writers and publications, these are serviced. The Department originates releases as they become necessary. Between January and June, seventeen "Major" releases were issued by the Commission for distribution to national and international publications, news services, radio, broadcasting and television networks. Several press conferences were held during the fiscal year, most important of which was the one organized by the Commission for the announcement of the filing

of formal papers by the railroads serving Boston and New York, designed to remove "rate differentials" more fully explained in the Traffic Section of this Report.

VISIT OF GOVERNMENT OFFICIALS

In addition to all of the standard public relations and advertising tools, all employed by the Commission, personal visits by groups whose decisions can make freight-volume possible for the port were encouraged by the Commission.

Many groups were handled by the Publicity Department, having been taken on tours of the facilities. One of the most important was the visit by 10 high officials of U. S. Government agencies in Washington, D. C., who visited the Port on August 17. Each of the group had a decision-making function affecting ports and within the group was represented the Department of Agriculture and Defense, and the Army, Navy and Air Force.

SUMMARY

During the fiscal year a beginning was made in the establishment of a professional public relations and advertising department for the Commission with plans made to carry programs forward in succeeding years. Although in dollars available, the Port could not match its competitors, every effort was made to make the wisest use of the funds available.

SECTION III
TRAFFIC DIVISION

It is the duty of the Traffic Division to ascertain any rates and practices adverse to cargo moving to or through the Port of Boston as compared to similar shipments moving through competing ports. Cost is a vital factor in transportation and distribution costs are a sizable part of the sales dollar on most commodities.

The Traffic Division assists shippers by furnishing rates, suggested routings, information relative to sailing schedules and schedules of inland carriers and generally, information related to the speed and economy of movement in the shippers' interest.

The Traffic Division assists the Promotion Division by furnishing information similar in nature to that furnished the shipper and by advising of prospective changes which might have an influence on the movement of cargo through the Port of Boston or competing ports.

The Traffic Division carefully scrutinizes the weekly dockets of the railroads and motor carriers to insure that any proposed rate or practice changes will not adversely affect the Port. In this regard, during the year just passed, the Traffic Division was instrumental in having rates on the proper relationship established to or from Boston on the following commodities:

By railroad:

Iron or steel billets from Sault Ste. Marie, Ontario
Latex to Elmira, Ontario
Chrome Ore to Columbiana, Ohio

Disodium Phosphate from Jeffersonville, Indiana
 Latex to Buffalo, New York
 Agricultural implements from Hillsboro, Ohio
 Tea to Minneapolis and St. Paul, Minnesota
 Caustic soda from Niagara Falls
 Latex to Annprior, Ontario
 Copper bars, billets, etc., from Noranda, Quebec
 Manganese ore to Carrollton, Ohio
 Coffee to Toronto, Ontario
 Jute Yarn to Auburn, New York
 China clay to Fond du Lac, Wisconsin
 Milk from Nashville, Illinois
 Government freight - all articles from Schenectady
 and Guilderland Ctr., New York
 Government freight - tanks from Schenectady, New York

By Motor Carrier:

Brass, Bronze and Copper to and from New York and
 New England
 Frozen Pineapple Juice to Montreal

By Steamship:

Asbestos, crude fibre and waste to Far East

During the fiscal year 1956, the Commission urged the Federal Maritime Board to undertake an investigation of terminal practices and charges to all ports in the country, in order to remove discrimination with respect to wharfage, dockage, freetime and similar factors practised at other ports which frequently place Boston at an unfair competitive disadvantage. The Maritime Board has not yet issued its order instituting such an investigation, but it is commonly felt the Board will do so in the near future.

During the past year, the Traffic Division has been active in matters concerning the Port before the Interstate Commerce Commission as follows:

IRON ORE CASE - I.C.C. Docket I & S 6074

For two years, the reopened iron ore case, I & S Docket 6074, has been under consideration. In this proceeding, the three Boston Railroads have endeavored to prove that they can lawfully charge the same rate on import iron ore to the Youngstown, Ohio district as the rail lines serving Baltimore and Philadelphia.

We have supported the Boston lines and in reopened proceedings in Washington in November and December 1954, we appeared with counsel and actively participated. Briefs were filed in March, 1955. The Examiner's draft report was filed in July, 1955, proposed a substantial reduction in the differential affecting Boston, but not entirely eliminating the differential. This Commission and our railroads took exception and argued the case orally before the entire Interstate Commerce Commission, in January 1956.

On October 26, 1956, the ICC issued its final report and order in this proceeding holding that railroads serving the ports of Philadelphia and New York were entitled to charge the same rate as the railroads serving the Port of Baltimore. The I.C.C. also found it would be unlawful for the railroads serving Boston to charge the parity rate found lawful for the other ports. The Baltimore railroad and supporting interests appealed the ICC decision with respect to parity for Philadelphia and New York in the Federal Court in Baltimore and the hearing will be heard in early 1957. The Boston railroads, with this Commission as intervenor have appealed the ICC decision with respect to the lawfulness of the Boston rate to the Federal Court in Boston, and this hearing will shortly follow the Baltimore Court hearing.

PORT PARITY - I.C.C. Docket I & S 6615

In June 1956, climaxing 15 months of negotiations on the part of the Commission, the three railroads serving the Port of Boston, the Boston & Maine, the New York Central, and the New Haven stimulated by this Commission, published tariffs reducing

to the Baltimore level the export-import rates on traffic to and from the interior to eliminate the long-standing adverse differential. In July 1956, the I.C.C. suspended all tariffs involved and has docketed the issue as Investigation and Suspension Docket 6615, Equalization of Rates at North Atlantic Ports. Hearings will commence early in the calendar year 1957. There is sound basis for believing that this effort of the Boston carriers to eliminate the differentials, will produce the result which Boston port interests have so long attempted to obtain. A similar effort with respect to ex-lake grain was finally successful in the United States Supreme Court in 1952, before the Port of Boston was permitted to re-enter the grain business on a rate competitive basis. With the differentials eliminated, the Port would have an equal opportunity to reach into the interior of this country to obtain a fair share of cargo that is now denied by the higher inland rail rates to ship via Boston.

PAN ATLANTIC STEAMSHIP CORPORATION - Extension Intercoastal,
ICC Docket W-376 (Sub. 13)

In the proceeding, the Pan Atlantic Steamship Corporation is endeavoring to obtain authority to re-enter the intercoastal steamship service in which it will call at Boston at least twice a month. We have supported the applicant provided the Certificate of Public Convenience and Necessity, when issued is so conditioned as to insure continuous service to the Port of Boston thereafter.

The Traffic Division represents the Port of Boston Commission in the North Atlantic Ports Conference, National Industrial Traffic League, New England Industrial Traffic League,

New England Shippers Advisory Board, New England Shipper-Motor Carrier Conference and the Traffic Club of New England.

FOR THE FUTURE -

The Traffic Division is about to undertake a rate study to evaluate the motor carrier rate relationship between points in upper New York State, Albany to Buffalo, and North thereof, on the one hand, and the ports of New York and Boston on the other hand. Generally the Port of New York has favorable rates to and from this territory by motor carrier, and if the Port of Boston is to obtain a better share of such traffic, the rates of the motor carriers serving Boston and northern New York must first be made competitive.

A similar discrimination in motor truck rates is evident in so far as Eastern Central motor carrier territory is concerned, and it will be the Traffic Division's purpose to undertake a similar study towards the end that all of the discriminations will be eliminated at the first available opportunity.

The Traffic Division anticipates being most active in the coming fiscal year with the Port Parity Case, I & S 6615, before the I.C.C. and the terminal practice investigation before the Federal Maritime Board, as well as more routine matters.

SECTION IV

COMMERCE

The Statistical Division has prepared material for use of the Promotion, Publicity, Traffic and other divisions of the Commission to advance the interests of the Port. In addition, the Commission has been established for shippers, banks, newspapers, libraries, and other agencies, as the clearing house of information relative to the Port of Boston, commerce of the Port, and foreign-trade information.

Material has been compiled on all phases of Boston and other ports, both present and past, and also on detailed information on the flow of cargoes to and from various foreign countries passing through the Port. Most of this information is not available from any other source, and some is not available from other sources for a year or more later than that available from the Commission.

IMPORTS AND EXPORTS

Total imports and exports in the Port of Boston in the calendar year 1955 amounted to 5,809,690 short tons, an increase over 1954 of 836,957 short tons or almost 17%. Incidentally, the 1955 total of imports and exports was the greatest in the long history of the Port.

Imports of petroleum, iron ore and gypsum, and exports of metals reached their largest volumes of tonnages ever. General cargoes as a group registered declines, although large increases were registered in such products as export rubber and rubber

products; import iron and steel products; export woodpulp, newsprint, and paper products; import molasses; import hides and skins, etc., as shown in the accompanying tables of leading imports and exports.

Many commodities formerly imported in a crude state, now arrive in a processed or semi-finished state, reflecting the economic advancement of certain nations. This type of commodity is of particular advantage to New England and the Port, since New England industry has traditionally concentrated upon the later stages of production of goods, reflecting a higher proportion of the value added by manufacture, and the total value of the finished product. As the other nations of the world continue their economic climb, New England and the Port are in a particularly advantageous position to benefit since these other nations are also in a better economic condition to purchase the finished products of New England industry.

The total of our import and export tonnage for the year 1955 exceeds, for example, the total commerce of all kinds registered in those years sometimes referred to as the "good old days". Total imports and exports for 1955 are three times larger than the average in the early 1900's; almost twice the volume of the 30's. Past studies of the Port of Boston invariably select the year 1921 as a basis for comparison of tonnages, neglecting to note that this was the year of the domestic coal strike, when foreign coal was imported in abnormal volume to pick up the slack.

INTERCOASTAL

Commerce between Boston and West Coast ports in 1955 increased 30,785 short tons or approximately 9% over the year 1954. Receipt of 66,572 short tons of petroleum products in the year 1955 from the West Coast was an innovation to the Port of Boston.

COASTAL

Coastwise commerce in the Port of Boston increased 536,377 short tons in 1955 over the year of 1954. Increases were registered in the coal and petroleum commodities, while general cargo and fish products registered declines.

INTRAPORT

This type of waterborne commerce at the Port of Boston consists of movements of petroleum and coal barges within the port area to the various industries within the Port, and in addition, about 15% of the total consists of the disposal of rubbish by barges. Movements of coal and oil increased 211,288 short tons in 1955 over 1954, while intraport movement of rubbish decreased 59,000 short tons.

In comparing total waterborne commerce for the Port of Boston with other U. S. ports, it should be noted that Intraport, or local traffic, in the Port of Boston constitutes less than 5% of the total, whereas in other ports the percentage is much greater. For example, in other ports the percentage of the total is as follows: New York 30%; Philadelphia 28%; Baltimore 28%, etc. Such a comparison brings out the fact that the Port of Boston is devoted almost exclusively to the off-shore commerce, unhampered by local movements of traffic-congesting barges or small vessels.

BOSTON PORT COMMERCE

The total waterborne commerce of the Port of Boston, as compiled from official sources, is given below in tons of 2,000 lbs. The data are provisional.

<u>CALENDAR YEAR</u>	<u>TOTAL TONS</u>
1955	19,145,538
1954	17,580,131
1953	17,803,354
1952	19,237,945
1951	18,976,880

COMPARISON
(By Calendar Years)

	<u>1955</u> <u>S/Tons</u>	<u>1954</u> <u>S/Tons</u>	<u>1953</u> <u>S/Tons</u>	<u>1952</u> <u>S/Tons</u>
Imports	5,282,565	4,623,216	4,972,908	4,958,366
Exports	<u>609,125</u>	<u>431,517</u>	<u>309,851</u>	<u>420,438</u>
TOTAL	5,891,690	5,054,733	5,282,759	5,378,804
Intercoastal				
In	290,779	252,925	245,138	207,387
Out	<u>78,128</u>	<u>85,197</u>	<u>92,490</u>	<u>76,238</u>
TOTAL	368,907	338,122	337,628	283,625
Coastal				
In	10,969,841	10,723,651	10,764,106	11,359,901
Out	<u>805,495</u>	<u>515,308</u>	<u>424,827</u>	<u>618,247</u>
TOTAL	11,775,336	11,238,959	11,188,933	11,978,148
*Inraport	1,109,605	948,317	994,034	1,597,368
TOTAL PORT				
TRADE	<u>19,145,538</u>	<u>17,580,131</u>	<u>17,803,354</u>	<u>19,237,945</u>

* Total traffic for 1955 was greater than any of the prior calendar years except 1952 when tonnage was about 91,000 tons greater; but this was entirely accounted for by the decline in the intraport commerce in 1955, reflecting less movement of small vessels and barges within the port.

IMPORT AND EXPORT TRAFFIC (TONS OF 2,000 LBS.)

<u>CALENDAR YEAR</u>	<u>IMPORTS</u>	<u>EXPORTS</u>	<u>TOTAL</u>
1955	5,282,565	609,125	5,891,690
1954	4,623,216	431,517	5,054,733
1953	4,972,908	309,851	5,282,759
1952	4,958,366	420,438	5,378,804
1951	5,300,446	430,720	5,731,166

GENERAL CARGO AND MISCELLANEOUS COMMODITIESHANDLED AT GENERAL CARGO PIERS

<u>CALENDAR YEAR</u>	<u>TOTAL</u>	<u>IMPORT</u>	<u>EXPORT</u>	<u>INTERCOASTAL</u>		<u>COASTAL</u>	
				<u>IN</u>	<u>OUT</u>	<u>IN</u>	<u>OUT</u>
1955	1,670,217	743,153	593,776	225,124	78,128	25,704	4,332
1954	1,616,514	740,727	419,375	252,925	85,197	103,996	14,294
1953	1,678,436	894,752	306,497	245,138	92,490	126,749	12,810
1952	1,426,261	719,885	415,923	207,387	76,211	6,137	718

* VESSELS ENTERING BOSTON HARBOR

<u>CALENDAR YEAR</u>	<u>GENERAL CARGO</u>	<u>BULK CARRIERS</u>	<u>COLLIERS</u>	<u>TANKERS</u>	<u>TOTAL</u>
1955	1,288	228	163	630	2,309
1954	1,334	191	157	628	2,310
1953	1,250	194	209	621	2,274
1952	1,183	169	273	676	2,301
1951	1,237	189	274	620	2,320
1950	1,527	220	254	800	2,801
1949	1,329	206	268	762	2,565

* Over 1,000 Gross Tons

TWENTY LEADING SEAPORTS AND THE TOTAL 1955 WATERBORNE COMMERCE

<u>PORT</u>	<u>1955 TONNAGE</u>
1. New York, N.Y.	148,848,131
2. Philadelphia Harbor, Pa.	48,892,709
3. New Orleans, La.	47,082,734
4. Houston, Texas	47,037,718
5. Baltimore Harbor & Maryland Channels	45,823,878
6. Norfolk, Va.	35,930,337
7. Beaumont, Texas	22,862,971
8. Port Arthur, Texas	21,577,553
9. Newport News, Va. & Creek	20,615,577
10. Los Angeles, California	19,263,958
11. Boston, Mass.	19,051,715
12. Baton Rouge, La.	16,489,779
13. Corpus Christi, Texas	15,573,586
14. Lake Charles, La.	15,396,366
15. Mobile, Ala.	15,083,028
16. Texas City, Texas	14,310,112
17. Portland Harbor, Maine	14,218,466
18. Richmond Harbor, Calif.	14,031,787
19. Portland, Oregon	12,592,827
20. Seattle Harbor, Wash.	12,481,242

Source: U.S. Corps of Engineers, Annual Report

PORT OF BOSTON IMPORTSTWENTY-FIVE LEADING COMMODITIES RANKED BY WEIGHT

(Short Tons)

<u>RANK</u>	<u>COMMODITY</u>	<u>1955</u>	<u>1954</u>	<u>1953</u>	<u>1952</u>	<u>1951</u>
	<u>TOTAL IMPORTS</u>	<u>5,282,565</u>	<u>4,623,216</u>	<u>4,972,908</u>	<u>4,958,366</u>	<u>5,300,446</u>
1.	Petroleum Products	3,508,740	3,087,491	3,142,887	3,421,542	3,359,734
2.	Sugar	437,549	452,237	507,119	452,334	458,011
3.	Iron Ore	249,945	60,062	62,136	64,994	145,481
4.	Gypsum	249,012	215,841	203,995	192,688	217,849
5.	Woodpulp	110,354	115,946	137,247	76,227	118,371
6.	Wool (All grades)	74,676	78,328	122,547	143,905	227,887
7.	Rubber, crude	49,094	33,029	33,392	24,752	22,065
8.	Lumber	45,974	75,060	92,401	22,209	27,466
9.	Iron & Steel Products	43,964	37,809	51,967	43,296	95,090
10.	Molasses	41,137	22,476	70,449	63,149	81,131
11.	Sisal	32,432	15,879	20,988	29,752	20,753
12.	Pineapple, Canned	26,860	25,415	30,503	11,445	23,964
13.	Latex	26,464	25,052	26,809	7,761	11,276
14.	Hides, Skins & Pelts	21,918	18,657	24,606	25,379	33,328
15.	Cocoa-beans	18,768	26,954	19,410	24,001	28,226
16.	Coffee	17,302	23,300	30,158	33,950	38,210
17.	Woods of Value	13,912	13,394	10,452	5,570	10,124
18.	Fruits & Vegetables-Canned	12,582	12,608	11,095	8,696	5,349
19.	Chemicals	11,740	8,006	9,780	4,445	8,481
20.	Cotton-Raw	11,318	6,945	7,804	18,288	5,122
21.	Bauxite Ore	11,218	10,104	14,063	9,452	9,443
22.	Extract, Tanning	11,204	12,637	18,983	8,921	21,102
23.	Bagging & Burlap	10,493	13,425	12,567	14,711	20,888
24.	Fish, Canned & Preserved	10,002	6,672	5,517	3,873	4,832
25.	Granite & Marble	9,847	9,293	8,064	6,573	7,662

PORT OF BOSTON EXPORTSTWENTY-FIVE LEADING COMMODITIES FOR 1955
(2,000 lbs.)

RANK	COMMODITY CODE NO.		CALENDAR YEARS		
			1955	1954	1953
1.	602	Iron & Steel Scrap	284,670	96,509	40
2.	103	Wheat	65,201	58,311	97,083
3.	102	Barley & Rye	50,929	None	None
4.	450	Standard newsprint paper	19,250	13,177	560
5.	100	Corn	14,747	25	18,793
6.	457	Paper & manufactures, N.E.C.	11,830	8,372	4,143
7.	740	Textile, shoe machinery, parts	7,337	8,198	5,156
8.	350	Wool manufactures	6,111	7,267	2,473
9.	555	Non-metallic minerals, mfrs, N.E.C.	5,865	7,660	6,144
10.	853	Phosphate Fertilizer Material	5,763	None	3,354
11.	441	Woodpulp	5,298	4,472	1,695
12.	846	Chem. specialties, N.E.C., except SC	4,766	6,516	3,526
13.	095	Animal products, inedible, N.E.C.	4,717	7,900	2,941
14.	632	Copper alloy forms & scrap	4,670	11,827	4,765
15.	518	Lube oils, greases except SC	4,277	3,082	525
16.	035	Dried Milk and Solids	3,720	4,301	none
17.	603	Iron & Steel, semi-finished products	3,684	91	9
18.	207	Rubber manufactures, N.E.C.	3,356	2,408	2,334
19.	201	Synthetic Rubber	2,928	1,575	1,167
20.	415	Box, crate materials, plywood, ties, etc.	2,833	None	None
21.	620	Copper ore, concent., scrap	2,715	6,849	2,381
22.	203	Rubber, Waste & Scrap	2,680	1,491	1,558
23.	065	Leather and manufactures	2,539	2,623	3,071
24.	320	Cotton, manufactures	1,890	1,856	851
25.	310	Cotton, semi-manufactures	1,876	1,750	4,311

TABULATION SHOWING CUSTOMS RECEIPTS BY TEN LEADING
DISTRICTS, FISCAL YEAR 1956*
(in Dollars)

District

	<u>Duties on Imports</u>	<u>Miscellaneous Customs Collections</u>	<u>Excise Taxes</u>	<u>Total</u>
New York, N.Y.....#10	338,034,177.20	1,470,433.04	87,265,225.02	426,769,835.26
Detroit, Mich.....#38	20,306,380.20	45,714.17	45,014,857.20	65,366,951.57
Boston, Mass.....# 4	47,096,186.63	292,555.91	6,552,471.68	53,941,214.22
Philadelphia, Pa.....#11	45,237,364.82	562,162.32	4,390,028.84	50,189,555.98
Los Angeles, Calif....#27	27,448,990.12	288,721.18	14,683,624.32	42,421,335.62
Chicago, Ill.....#39	18,849,618.37	44,889.41	20,555,187.25	39,449,695.03
Ogdensburg, N.Y.....# 7	9,568,965.82	12,485.47	25,078,523.33	34,659,974.62
San Francisco, Calif..#28	20,415,124.43	236,003.43	10,701,230.19	31,352,358.05
New Orleans, La.....#20	21,821,359.98	268,329.60	2,640,863.32	24,730,552.90
Seattle, Wash.....#30	11,025,218.03	176,054.64	10,329,526.37	21,530,799.04

*Source: Treasury Department, Bureau of Customs

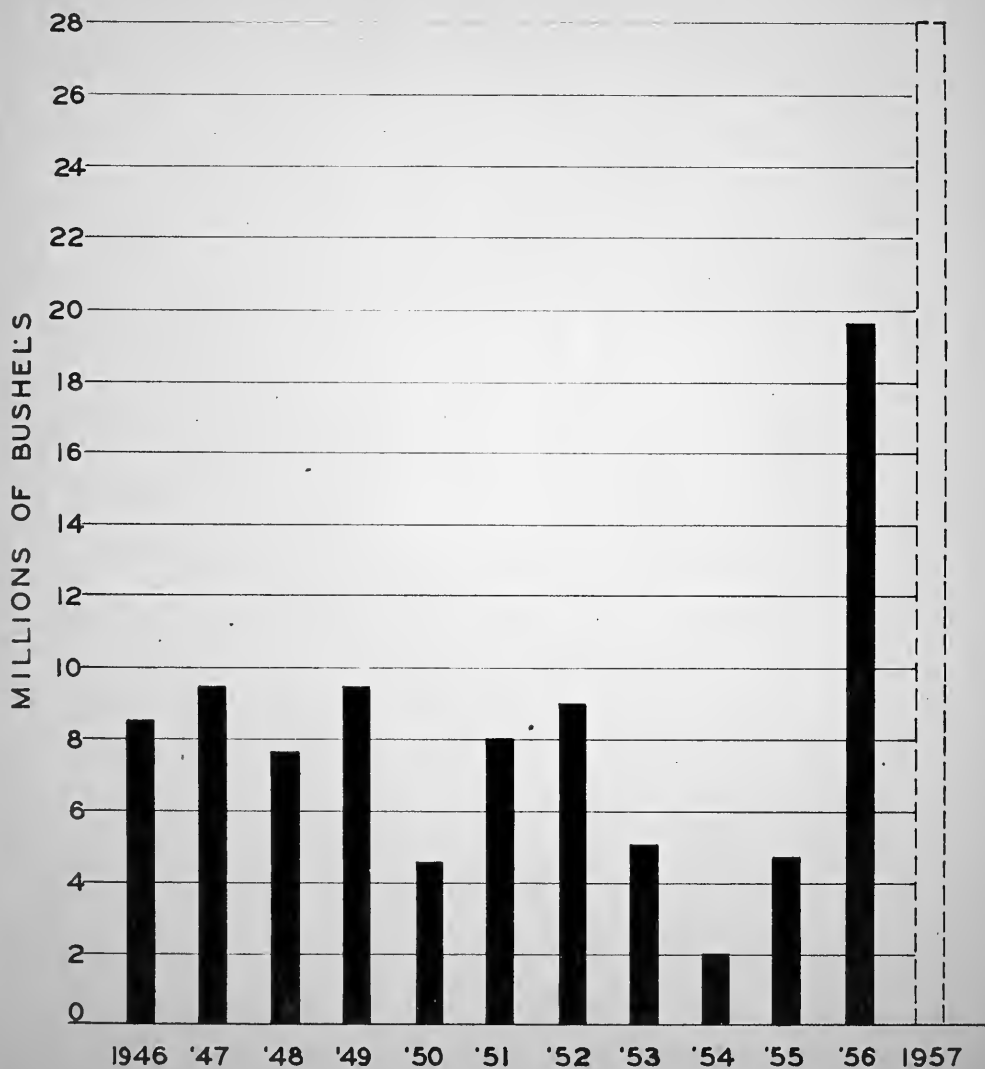
IMPORTS - INCREASES AND DECREASES

1. PETROLEUM PRODUCTS: Imports for 1955 established a record volume through the Port of Boston, from both Venezuela and the Netherlands West Indies, particularly in the category of crude petroleum from Venezuela. Certain by-products are obtainable only from the crude oil, and for this reason this product is increasing in demand throughout the entire United States. Imports of petroleum products throughout the United States were also increased in anticipation of the establishment of a partial embargo on foreign petroleum by the Federal government.
2. SUGAR: Imports of sugar for 1955 were slightly below normal of the postwar years due to the slight decline in market demand caused by the use of substitutes of molasses, honey, etc. in baking prepared cereals, etc.
3. IRON ORE: Imports of iron ore for 1955 through Boston originated largely in South America, although Labrador constituted an increasingly heavy ore movement. Iron ore from these points, when processed, results in a much lower unit - cost per ton of finished product than the ore from the Mesabi Range. The ratio of iron content for these origins is: Labrador 60%; South American 65-67%; and from the Mesabi Range of Minnesota 51-53%. Importation of iron ore will continue to increase in volume through the Port in the coming years.
4. GYPSUM: Imports of Gypsum for 1955 continued its annual increase due to the increased demand by the construction industry of such products as plaster, paints, etc.
5. WOODPULP: Imports of woodpulp for 1955 from the Scandinavian countries continued to decrease in volume due to the increased participation in this market by New England and Canadian Mills.
6. WOOL: Imports of wool in 1955 decreased slightly from the previous year due to a variety of reasons. High prices of foreign wool compared to the domestic wool, and the knowledge that the Commodity Credit Corporation was liquidating its stockpile of wool, acted as a deterrent to purchases of foreign wool.
7. RUBBER, CRUDE: Imports of crude rubber in 1955 increased 16,065 short tons or approximately 49% over the year 1954 due to increased production by local concerns and the increase in stockpiles by the General Services Administration in nearby warehouses.
8. LUMBER: Imports of lumber from British Columbia in 1955 declined from the highs registered in the years of 1954 and 1953, although the total tonnage in 1955 was more than double the tonnage of the year 1952. Reasons given for the decline were market uncertainties, some diversion of vessels to other trade areas, operational difficulties at the lumber terminals, etc.
9. IRON & STEEL PRODUCTS: Imports increased 6,155 short tons, or 16% in 1955, chiefly due to demands of the construction industry for steel rods and plates to supplement domestic production. Fluctuations of this commodity from year to year are a clear indication that tonnages are dependent upon many market and economic factors, both foreign and domestic.

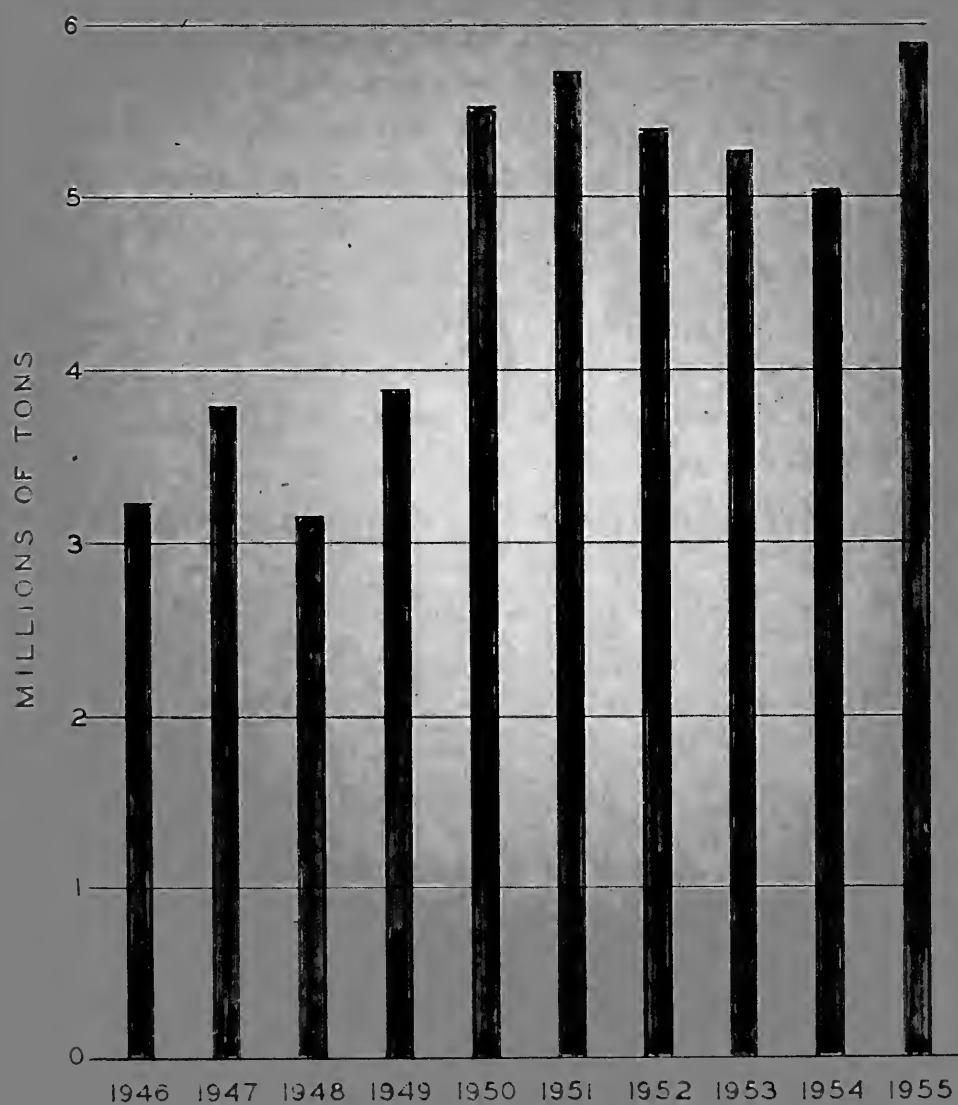
10. MOLASSES:- Imports of molasses in 1955 increased 18,561 short tons or 83% over the low tonnage imported in the year 1954. Increase was due to the fact that new uses have been found for molasses, such as its use as a spray for pasture land, as a substitute for sugar in cooking, etc.
11. SISAL: -Imports of sisal in 1955 increased 17,553 short tons, or 110% over the year 1954, and exceeded the average for the years 1948-52 by 13,870 short tons, or 75%. Huge increases in 1955 were due to both commercial importations for consumption, and stockpiling by the General Services Administration.
12. PINEAPPLE, CANNED: Imports of canned pineapple and juices increased slightly over the year 1954, continuing the upward trend and indicating the increased demand on the market.
13. LATEX. Imports of liquid latex over the past three years have been fairly consistent, being controlled by the demand of the foam rubber and plastic-coating industries of the area.
14. HIDES, SKINS, & FELTS: Demand for hides by the leather industry in 1955 resulted in an increase of imports over 1954. A deflection in the market was caused by the use of plastics as a substitute for leather, and this trend was slightly reversed in 1955 with a greater participation by the leather industry.
15. COCOA-BEANS: Imports of cocoa-beans in 1955 decreased 3,621 short tons from the year 1954 and gave further evidence to being the most flexible import commodity through the Port of Boston. Fluctuations in total tonnages of this commodity over the years, plus the various changes in countries of origin in both South America and Africa are explained solely by economic and market conditions prevailing at the time.
16. COFFEE: Imports of coffee in 1955 decreased 5,998 short tons from the year 1954, or more than 50% less than the 1948-52 average tonnage. Imports were largely from African countries in 1955, and the decrease in this commodity was due to trade restrictions, prices in foreign markets, the increased consumption of instant coffee of name brands processed in other areas, etc.
17. WOODS OF VALUE: Importation of mahogany and other cabinet woods maintained their high tonnages recorded in 1954 and even showed a slight increase due to increased production of furniture in the area served by the Port of Boston.
18. FRUITS & VEGETABLES-CANNED OR PRESERVED: Imports of canned tomatoes from Italy remained at a high level through 1955 and maintained the importance of this commodity moving through the Port of Boston. In addition, other products from other countries continued to supply the demand for such items as canned mandarin oranges, canned mushrooms, and other foreign delicacies.
19. CHEMICALS, NOS: Imports of chemicals, prepared and crude, increased 3,734 short tons in 1955 over 1954, or approximately 47%, giving a good indication of the tempo of the chemical industry in New England today.

20. COTTON-RAW: Imports in 1955 increased 4,373 short tons or 63% over 1954. Egyptian cotton continued to lead other sources in volume, with Peruvian running a close second in tonnage. Imports from Pakistan remained high on the list, a tribute to the resurgence of the economy of that new nation in the past three years. Indian cotton was fourth in tonnage with less than one-half the volume of tonnage from Pakistan.
21. BAUXITE ORE: Imports of bauxite ore in 1955 increased by 1,114 short tons. This commodity has been received on an average for the post-war period of two vessels per year, with the tonnage varying according to the demand or the capacity of the vessels used. Imports were for the consumption of local chemical plants.
22. EXTRACT TANNING: Imports of quebracho and other tanning extracts in 1955 decreased 1,433 short tons or 11%.
23. BAGGING & BURLAP: Imports in 1955 decreased 2,932 short tons or 22%.
24. FISH-CANNED OR PRESERVED: Imports of canned crabmeat, tuna and clams from Japan constituted more than half of the tonnage of this commodity in 1955, and registered for the category as a whole an increase of 3,330 short tons or 48%.
25. GRANITE AND MARBLE: Imports in 1955 increased slightly over 1954. Largest item in this category was Italian marble, making up more than half of the total tonnage.

GRAPH SHOWING TOTAL MOVEMENT OF GRAIN
THROUGH THE PORT OF BOSTON SINCE
WORLD WAR II IN MILLIONS OF BUSHEL'S



GRAPH SHOWING TOTAL IMPORTS & EXPORTS
IN MILLIONS OF TONS



SECTION VOPERATIONS DIVISION

To the Operations Division is assigned the responsibility for the operation of Commonwealth Pier, the research and analysis of equipment necessary to efficient port operation, proper utilization of the facilities of the Commonwealth leased to experienced pier and terminal operators, cargo handling methods and practices and determination as to potential and need for accessorial cargo services such as packaging, marking, crating, storage and handling.

Conditions reported by importers and/or exporters using piers and terminals at Boston about delays or complaints are investigated and corrected. Conferences are arranged with the cooperation of the Boston Shipping Association about reducing Stevedore Insurance rates and other cost factors affecting the interest of the Port.

The following tonnage figures apply to general cargo movement handled through public terminal facilities operated by or leased from the Commission and the facilities of the Boston Army Base and Wiggin Terminals.

OPERATIONS OF GENERAL CARGO FACILITIES
FISCAL YEAR ENDING JUNE 30, 1956

<u>FACILITIES</u>	<u>OPERATOR</u>	<u>NO. OF VESSELS</u>	<u>GENERAL CARGO* 2000 Lb. Tons</u>	<u>GRAIN (bushels)</u>	<u>LUMBER F. B.M.</u>
Commonwealth Pier #5	Port of Boston Commission	194	291,554		
Castle Island Terminal	Luckenbach SS. Company	198	144,750		96,499,760
Hoosac Pier #1	Mystic Term. Company	135	109,647	1,690,503	
Mystic Pier #1	Mystic Term. Company	153	120,869		
Mystic Piers #48, 49 & 50	Mystic Term. Company	43	53,901		
East Boston Terminal	New York Central RR System	377	258,436	15,023,834	
Army Base Terminal	Boston Tidewater Term. Inc.	330	416,218		
Wiggin Terminal Pier #51	Wiggin Term. Inc.	22	41,000		
	Totals	1,452	1,436,475	16,714,337	96,499,760

*Definition: "General Cargo" is miscellaneous commodities transported in other than tankers and/or colliers.

SECURITY

The special police force of the Commission protects the property of the Commonwealth. The Commission police, working on cooperation with the Massachusetts State Police, Federal Bureau of Investigation, the Boston Police Department and other law enforcement agencies, investigates pilferage and other matters relating to the security and protection of the Port.

LABOR-MANAGEMENT RELATIONS

The Commission has continued its diplomatic endeavors to promote improved labor-management relations in the Port. The Director attended many meetings with the Boston Shipping Association and representatives of Labor. The Right Reverend Monsignor John T. Powers, as the arbiter of waterfront labor disputes, has vigilantly continued to promote better understanding between labor and management, and we are grateful to Monsignor Powers for his accomplishments and continued cooperation with this Commission and Port interests.

MAINTENANCE

Commonwealth Pier # 5

Regular maintenance by the Commission staff was continued throughout the year. The repair and replacement of fifty cargo platforms was concluded in the fiscal year 1956.

Four new trackwell bridges were erected and installed. The principal projects which were let out to private contractors were:

Repairs and inspection to elevators	\$1,934.13
Pest and Rat Control	900.00
Fire Alarm System	245.80
Repairs to Power Plant	314.60
Repairs to Cargo Load Platforms	1,868.80
Repairs to steel rolling doors	1,742.05
Repairs to Ogden cargo doors	548.99

Castle Island

The condition of the temporary roads in the terminal area, especially for bulk lumber operation, was so bad that complaints from longshoremen, lumber dealers, truckers and the City of Boston Fire Department, necessitated immediate temporary repairs to the roads consisting of filling ruts and depressions with bank run gravel and grading the surface. Three contracts were awarded at a total cost of \$14,485.98. Funds are requested in the Capital Outlay Budget for 1958 to construct a new system of roads including surface water drainage and the surfacing of the open storage area.

During the fiscal year some of the broken bollards and double bitts on the wharf required repair or replacement to protect the ships moored at the terminal pending complete rehabilitation of the wharf for which funds have been requested in the Capital Outlay Budget for 1958. \$1,581.00 was expended on repair or replacement of mooring attachments.

Hoosac Pier, Mystic Pier # 1, Mystic Piers 48, 49 & 50

Regular maintenance was carried on through the year by the Boston and Maine as Lessee or Operator of these facilities.

Boston and Albany Piers Nos. 1, 3 and 4.

Regular maintenance was continued on Pier #1, and accelerated program of repair and maintenance to sheds, roofs, grain galleries and grain elevator and warehouse was carried on by the New York Central Railroad as Lessee of these facilities.

Grain Elevator, East Boston Terminal.

The Commission encouraged and approved the sub-leasing to Continental Grain Company of the Grain Elevator at East Boston Terminal. The new operator has very greatly increased the flow of grain through this elevator to a volume which should aggregate more than 16,000,000 bushels for the calendar year 1956, as compared with an average of 2,633,527 bushels for the prior 3 calendar years.

Grain Elevator - Hoosac Terminal.

To secure maximum usage of grain facilities at Hoosac Terminal, Charlestown, the Commission has stimulated the Mystic Terminal Company, operators under lease of this terminal, to sub-lease such facilities to an experienced grain operator, with the result that a sub-lease to Interoceanic Commodities Corporation was approved late in 1956. There is sound basis for belief that there will be a substantial increase in grain shipments through this elevator in 1957 and subsequent years.

REAL ESTATESale of Commonwealth lands from July 1, 1955 to June 30, 1956:

1. Arthur B. and Lawrence A. Litchfield purchased parcel of land containing 13,160 square feet of land on D Street, South Boston, for the sum of \$14,885.

Lease of Commonwealth Lands from July 1, 1955 to June 30, 1956:

1. Frank J. Penza was granted lease for use and occupancy of 6700 square feet on Summer Street, South Boston, at an annual rental of \$804.

Permits for Rental of Commonwealth Lands from July 1, 1955 to June 30, 1956:

- Permit #231 - D & S Freight Service to use and occupy 20,160 square feet of land and Quonset Hut under Viaduct, South Boston. Charge: \$400 per month.
- Permit #232 - Boston Machinery & Tool Co., to use and occupy 16,800 square feet of land and building on Marginal Street, East Boston. Charge: \$133.33 per month.
- Permit #233 - Irving Usen Co., to use and occupy 554 square feet on Northern Ave., South Boston. Charge \$5.07 per month.
- Permit #235 - U. S. Department of the Navy to use and occupy parcel of land on Summer Street, South Boston. Charge: None.
- Permit #236 - U.S. Department of the Navy to use and occupy 109,264 square feet of land on E and Fargo Streets, South Boston. Charge: None.
- Permit #237 - John Donnelly & Sons to maintain and/or erect advertising billboards on Commonwealth land. Charge: \$100 per month.
- Permit #238 - Thomas Welby to use and occupy 13,000 square feet on Summer Street and the Viaduct, South Boston. Charge: \$49.65 per month.

The following tenants were granted permission to occupy land on a Tenant-at-will basis:

Contract Haulage Inc., use and occupy 27,053 square feet on D Street, South Boston. Charge: \$1700 per annum.
 A.J.Elliott Motor Transportation Inc., to use and occupy 11,000 square feet on D Street and Cypher Street, South Boston. Charge: \$650.00 per annum.

SECTION VI
ENGINEERING DIVISION

During the 1956 fiscal year, the following development, construction and maintenance activities were in progress or completed in the Port.

East Boston Terminal - At the insistent demand by the Commission, a program of adequate maintenance and repair of the various terminal facilities was re-established and accomplished by the lessee of the terminal, the New York Central System, in accordance with the terms of the lease under the supervision of the Commission. A submarine inspection was made of the piles of Piers #3 and #4 to determine a repair and replacement program for the ensuing three years.

During the period of this report the following work was accomplished:

- (a) Demolition of 4 small wood buildings which were unsafe and considered to be fire hazards.
- (b) Removal of an unsafe steel and concrete canopy of the Grain Elevator on Marginal Street.
- (c) Painting exterior, repairs to the siding, sheet metal work and floors of the various structures.
- (d) Reconstruction of trestle roadway between Piers #4 and #5.
- (e) Repairs to the Fender System of Piers #3 and #4.

At the request of the Commission, the City of Boston terminated Clyde Street as a public way and a gate was installed by the lessee at Marginal Street to improve the security of the of the terminal and the safety at the railroad crossing.

Preliminary plans were prepared for and negotiations entered into with the New York Central System for the installation of a much-needed mechanical grain car dumper for the Grain Elevator.

A mechanical grain car unloader having a minimum capacity of 6 cars per hour would complete the modernization of the grain handling facility and remove the present bottleneck to maintaining competitive export capacity. Negotiations are still in progress on this proposed improvement.

Examination of the steel pipe piles this Spring revealed a very active corrosion condition at mean low water. To preserve the piles and integrity of the entire structure requires an expensive but essential cathodic protection system for which funds are being sought from the General Court in 1957.

Mystic Terminal - A corrosion study of the steel "H" piles supporting Mystic Pier #1 was made by the Division of Building Construction for the Commission indicating the urgent need to eliminate the corrosion below high water.

As the integrity of the structure is jeopardized, funds are being requested from the General Court in 1957 for the installation of a cathodic protection system.

To render Mystic Piers Nos. 48, 49 and 50 adequate for continued usability, the fire protection sprinkler system was rehabilitated, overhead cargo door guards were installed and the roof made watertight.

The new road from Medford Street to Mystic Pier No. 1 mentioned in our previous report was completed by the Massachusetts Department of Public Works under a Chapter 90A agreement with the City of Boston greatly improving access. The City is presently engaged in demolishing the viaduct and Little Mystic River Drawbridge making the waterway unobstructed.

Hoosac Terminal - The necessary improvements and repair of

the Hoosac Grain Elevator for efficient operation have been largely completed. The exterior hollow tile walls which collapsed in a high windstorm in 1953 were replaced with a protected metal siding. The bin floor was strengthened, the intermediate roof was replaced, the grain storage bins repaired and the obsolete and dangerous rope drives for the elevating conveyors were replaced by individual powered belt units.

The plans and specifications for the partial repair of the settlement of the west office of Hoosac Pier No. 1 and the installation of fender system blocks on two berths of the pier have been prepared by the Commission and completed by the Division of Building Construction late in 1956. As at Mystic and East Boston piers, examination of the steel sheet piles revealed a very active corrosion condition at mean low water. The same corrective measures are proposed.

The plans and specifications for the relocation of the fire protection standpipes and the rehabilitation of the passenger elevator of the Grain Elevator is now in progress and the work is scheduled for completion during the next fiscal year, completing all present plans for the structure.

Commonwealth Pier No. 5 - The modernization of Commonwealth Pier No. 5 was provided by the Capital Outlay Budget for the fiscal year of 1955 in the amount of \$1,800,000 commenced under the direction of the Division of Building Construction. The increase in construction costs from the time of the estimate for funds and the taking of bids made it impossible to include

all of the original work requirements and, therefore, the scope has been reduced to the funds available and the most urgent improvements and repairs.

The work under the first contract consists mainly of the strengthening of the roadways of the second deck, which are inadequate to take the present-day imposed loads, elimination of the lightwells to provide more cargo area and decrease the annual maintenance cost, installation of a modern and efficient heating plant, replacement of the deteriorated steel sash in the monitors and the stucco in the rear of the headhouse and the construction of a roadway through the center section of the upper deck to permit adequate movement of truck traffic. This work is expected to be completed the latter part of 1957.

The plans and specifications for the remainder of the work are being prepared for bid consisting of replacement of the cargo hoist beams which are in a hazardous condition, repairs to the corroded bases of the building columns, modernization of the sprinkler alarm and air pressure system, replacement of the badly corroded steel deck plates of the wharf apron and miscellaneous patching of depressions in the lower deck.

A number of breaks in the underground water supply system for domestic, fire protection and ship service use recently revealed the cast iron pipe to be badly deteriorated through electrolytic action. Since the water supply system is vital to the protection and operation of the pier, a request for funds to replace the system has been submitted for inclusion in the Capital Outlay Budget for 1958.

Boston Army Base - The rehabilitation of the Boston Army Base by the Federal Government is now in progress with completion scheduled for July of 1957, at which time the Commonwealth of Massachusetts will take over the waterfront portion of the terminal for occupancy and operation in accordance with a lease consummated between the Commonwealth and the U. S. Government.

This project is estimated to cost \$11,000,000 of which amount the Commonwealth has contributed 10%. The work is carried on under the direction of the Division Engineer, Corps of Engineers, U. S. Army, and consists primarily of replacement of the badly deteriorated steel sheet bulkhead, rehabilitation of two wharf cranes, structural repairs to the buildings leased to the Commonwealth, freight elevator and roof repairs, painting, dredging berths to 35 feet at mean low water and track replacement and surface water drainage between the pier sheds.

Completion of the rehabilitation program will place this very important and largest waterfront terminal in the Port in first-class condition and substantially increase the efficiency of cargo handling operations.

The Director and the Chief Engineer have worked closely with the Corps of Engineers, the Post Engineer, the contractors, Terminal Operators and the Boston Shipping Association to determine that expenditures proposed by the Federal Government for rehabilitation of the Army Base facilities include projects in keeping with the commercial as well as military requirements of this valuable facility, and minimize the future maintenance obligations of the Commonwealth. The Corps of Engineers and the Commission are keeping a close check on the unencumbered funds

to ascertain their allocation for several projects which we deem necessary to the facility, and to that end the Corps of Engineers have been furnished by this Commission with a list of several project items, suggesting their inclusion in the general rehabilitation project in the event funds are available, and based on priority as agreed between the Federal Government and the Commission.

Castle Island Terminal - The first stage development of the Castle Island Terminal as part of an overall program to make it one of the most modern and efficient in the country commenced under the supervision of the Division of Building Construction in the Spring of this year.

This first stage is being carried out by two contracts, one involving the widening and lengthening of Transit Shed No. 1 including pertinent offices, warm room, garage, and toilet facilities for the longshoremen and the other for the replacement of the underground water supply system for fire protection of the approximately 104 acre terminal area, domestic and ship service. The wide wharf working apron which is being narrowed from 100 to 34 feet by the shed widening has been a deterrent to efficient and economical cargo handling operations. The original cast iron watermains installed in 1942 by the U. S. Army have been attacked by electrolysis resulting in numerous failures.

After completion of the work covered by the aforementioned contracts expected to be early in 1957, the lessee of the terminal, Luckenbach Steamship Company, will move its operations from Commonwealth Pier No. 5 to Transit Shed No. 1. \$1,200,000 will be expended in the performance of this project.

Rising construction costs precluded the accomplishment of all the work contemplated under the scope of the first stage development, and additional funds are requested in the Capital Outlay Budget in 1958 to cover the following urgent repairs and improvements necessary to preserve the integrity of the structures and proper operations to maintain waterborne commerce:

- (a) Construction of roads, paved open storage area for bulk lumber, surface water drainage system and track rehabilitation. There are practically no roads, the open area surface is unstable, the drainage inadequate and tracks need alterations and repairs.
- (b) The installation of a cathodic protection to eliminate the corrosion which is jeopardizing the stability of the steel sheet pile bulkhead here as at other piers. Corrosion investigation by the Commission reveals accelerated corrosion and if allowed to continue, would result in a failure of the structure.
- (c) The condition of the fender system is the result of progressive normal wear, tear and fungi rot of untreated timbers over a period of 14 years without adequate maintenance. No major repair work has been accomplished on the fender system since its construction by the U. S. Army about 1942.
- (d) The wharf structure needs many repairs for operation, safety and to preserve the integrity of the structure. Badly deteriorated firewalls require replacement to confine any fire which may occur in the substructure. The ship mooring attachments need rehabilitation as some have been broken, pulled out and loosened. The safety of a moored ship is jeopardized by this deficiency. The deck timber work and surface need repairs. The untreated piles employed because of wartime shortages need replacement by creosoted treated piles to prevent a potential collapse of some areas of the wharf. The untreated piles have been examined by Wm. F. Clapp Laboratories of Duxbury and found to have been seriously affected by marine borer attack.
- (e) Transit Shed No. 2, a temporary wooden structure, covering about 151,000 square feet, is in bad condition in regard to water tightness and functional layout. At a small fraction of the cost of a new shed, this building can be made usable for at least 10 years by installing new roof covering, installing new siding, repair of the doors and the elimination of a row of timber columns which are too close to permit truck maneuverability within the shed.

- (f) There is no covered storage for dry lumber products on the terminal. Since dry lumber products are a necessary adjunct of the bulk lumber operation, 4 sheds each about 7000 square feet, are required to keep this commerce in the Port. These sheds can also be used to supplement the transit shed and for product processing at the waterfront.

Unless the aforementioned repairs, alterations and improvements are accomplished, the use and potential for additional commerce will continue to seriously be impaired. Much commerce has been lost due to existing physical conditions of the terminal.

WATERFRONT INDUSTRIAL DEVELOPMENT

The Commission has had many inquiries this year from industries expressing a desire to establish plants on the waterfront using or handling waterborne materials and products. The Commission has rendered valuable assistance in furnishing lists of sites, sponsored inspection trips, and prepared other pertinent data to enable them to find a suitable location for their needs.

The Commission believes that sufficient time has not been devoted to a study and analysis of industrial waterfront development potential. We believe that to the Commonwealth, the Port and its tributary area, an invaluable service and assistance can be rendered through vigorous industrial promotion and intelligent industrial development of certain waterfront areas. The Commission's Solicitation and Engineering staffs have devoted a great deal of effort to seeking out industries which we believe would have an interest in waterfront locations. Our Engineering staff has taken parties on inspection tours of our waterfront locations, and in addition, we have prepared pre-

liminary plans and data further to stimulate active interest. The results have been encouraging. Two industries are currently negotiating with the owners of certain waterfront parcels to lease or purchase for the installation of industrial facilities. We are continuing our promotional efforts with two other industries in an endeavor to obtain a future commitment for a Boston location.

CORROSION INVESTIGATION

The Commission has been very cognizant of the deteriorating effect of corrosion on the steel piles supporting the various pier structures and is continuing a close examination and study of all of the Commonwealth-owned structures. The findings to date indicate immediate installation of a cathodic protection for all of the structures. A request for further funds to install such a system at all the piers has been submitted in the Capital Outlay Budget for 1958. Corrosion in sea water is a serious problem jeopardizing the entire investment unless this new protective measure is installed.

FISCAL REPORT

<u>EXPENDITURES</u>		<u>1955</u>	<u>1956</u>
3140-01	Administrative	205,294.62	245,169.85
3145-01	Freight Differential		
	Rates Investigation	15,000.00	7,682.32
3150-01	Maintenance of Property	318,335.52	296,881.11
	TOTAL OPERATING	538,630.14	549,733.28
3180-01	Serial Bonds and Notes	799,000.00	969,000.00
3180-02	Interest on Direct Debt	261,218.50	293,825.75
	TOTAL DEBT REQUIREMENTS	1,060,218.50	1,262,825.75
3145-02	Dredging Malden River	2,542.57	
3145-03	Shore Protection	29,836.36	
3145-04	Floating Boom, Chelsea River	15,908.32	
	TOTAL NON-OPERATING	48,287.25	
	TOTAL EXPENDITURE	1,647,135.89	1,812,559.03

<u>REVENUE</u>			
Rentals, Miscellaneous	39,390.53	44,927.94	
Rental, Boston Fish Pier-Pier #6	45,000.00	45,000.00	
Rental, Commonwealth Railroad Yards	15,000.00	74,000.00	
Commonwealth Pier #5	179,452.00	290,475.00	
Castle Island	67,750.02	77,311.02	
East Boston Piers and Facilities	189,357.24	289,964.32	
Hoosac Pier and Facilities	124,940.42	178,762.50	
Mystic Pier and Facilities	156,819.85	185,332.55	
License Charges			
Certified Copying Charges	1.00		
Rents, Other	616.87	670.75	
Miscellaneous, Other	2,883.50	61.28	
Prior Year Refunds	392.01	209.41	
	821,603.44	1,186,714.77	
	TOTAL OPERATING REVENUE		
Sale of Land	116,350.00	13,805.00	
Interest Accrued on Bonds Sold	26,692.70		
Contributions			
Sales, Other	43.20	65.60	
	143,085.90	13,870.60	
	TOTAL OTHER REVENUE		
	TOTAL REVENUE	964,689.34	1,200,585.37

FINANCIAL STATEMENT VERIFIED
(Under Requirements of C.7, S 19 GL)

Date: November 19, 1956

By: L. A. Burke
For the Comptroller
Approved for Publishing
Fred A. Moncewicz
Comptroller

Print.

